

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
(317)232-9855

**ADMINISTRATIVE RULE  
FISCAL IMPACT STATEMENT**

**PROPOSED RULE:** #96-25  
Management **DATE PREPARED:** Apr 25 96  
**FISCAL ANALYST:** Lois Wygant  
**PHONE NUMBER:** 232-9867

**DATE RECEIVED:** Apr 08 96 **STATE AGENCY:** Department of Environmental

**Digest of Proposed Rule:** The rule amends 329 IAC 3.1 covering the hazardous waste management permit program and related changes to the federal hazardous waste management regulations at 40 CR 260 through CFR 270, which were published by the U.S. Environmental Protection Agency (EPA) from July 1, 1992, through June 30, 1995. These amendments to the rules at 329 IAC 3.1 are consistent with federal requirements in that they incorporate the federal rules by reference.

The rule incorporates by reference the 1995 edition of 40 CFR 260-299. This includes 37 federal final rules published from July 1, 1992 through June 30, 1995. Of these 37 changes, only nine establish new or increased requirements. The remainder remove, reduce, clarify or otherwise modify existing standards and will not require new costs.

In order to maintain U.S. EPA authorization to manage the hazardous waste management program within the state, Indiana is required by federal law to adopt the latest version of the federal hazardous waste management programs promulgated under Subtitle C of the Resource Conservation and Recovery Act (RCRA).

Nineteen (19) federal rules were promulgated under the Hazardous and Solid Waste Amendments (HSWA) to the Resource Conservation and Recovery Act (RCRA). Rules issued under HSWA are effective in all states regardless of authorization status. Costs associated with these rules are considered federal costs.

Eighteen (18) federal rules were promulgated under provisions of RCRA. These rules do not become effective until adopted by an authorized state. Costs associated with these rules are considered new costs when adopted by state.

**Governmental Entities:**

**State:** The Department of Environmental Management has determined that the proposed rule will have no fiscal impact on their agency. The rules provide a much less restrictive management system for a new class of hazardous waste called universal waste. One of the stated purposes of the rule is regulatory reduction. The potential fiscal impact of these amendments is the additional cost of implementing and enforcing the new standards. There should be no costs that are not already planned for in the agency's budget.

U.S. EPA authorization forms a basis for state authority to manage hazardous waste in Indiana, as well as for federal grants relied on to manage this program. Adoption of these program modifications is required to maintain U.S. EPA authorization for the program. Adoption of these program modifications is required to maintain U.S. EPA authorization for the program.

**Local:** Large quantity handlers of universal waste who are not now hazardous generators will have to apply for a generator identification number. According to the Department of Environmental Management, the only entities that may become large quantity handlers of universal waste which are not already hazardous waste generators are solid waste management districts or local governments that decide to collect universal wastes as part of a recycling or waste disposal programs. To date, no solid waste district or municipality has indicated an intention to collect universal wastes.

**Regulated Entities:** Determining the total fiscal impact on regulated entities in the state is difficult because the rules effect each entity differently. Some changes in the rules do not establish new requirements. Some changes do establish reduced requirements. No regulated entity must comply with all changes.

IDEM reports that the U.S. EPA has performed economic analyses where required for some individual rules. However, no methodology exists to predict these shifts in activity and their associated costs in the aggregate or in their relation to one another. Even where national costs have been calculated, considering Indiana as a percentage of the national cost is unreliable because of differences between the national community and Indiana's regulated community for each of the affected parts of the program.

Some sense of estimated cost and appropriate comparisons can be made, however, from a detailed summary and explanation of the rules provided by the Department of Environmental Management. This list contains the subject of the rule and other information on the rule's purpose and potential costs. On the report, if new costs were anticipated and the U.S. EPA had determined a nation-wide economic analysis of the rule, a state fiscal impact was also determined. The state analysis assumes that the Indiana regulated community is similar to the national community, which may or may not be a valid assumption or measure. In this report it is assumed that Indiana is approximately 2% of the nation when based on population or 2.3% when based on number of manufacturers.

The largest fiscal impact cost for a rule in the report from IDEM is for the land disposal restrictions published in 59 FR 47982. EPA estimated the total incremental annual cost of that particular rule nationally to be \$57 million to \$65 million. Based on the assumption that Indiana is approximately 2% of the nation when based on population, the estimated annual cost in Indiana would be \$1,140,000 to \$1,300,000. When based on the number of manufacturers in the country the estimated cost for Indiana would be \$1,311,000 to \$1,495,000.

**Information Sources:** Steven Mojonier, Department of Environmental Management, 233-1655; Blake Jeffrey, Indiana Manufactures Association, 4745-0322; Nelson Becker, (219) 722-3730; Tanya Galbraith, Association of Cities and Towns.  
Statistical Abstract of the U.S., Department of Commerce, Table 1248.